



# **The Impact of the Omnibus Law on Industrial Relations in Indonesia During the Covid-19 Pandemic: A Qualitative Analysis**

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## **Authors' contribution**

*The sole author designed, analyzed, interpreted and prepared the manuscript.*

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## **ABSTRACT**

The Covid-19 pandemic since 2020 until now has had a tremendous impact on socio-economic life in Indonesia. Many companies have laid off their employees on the pretext of a decrease in company production affected by the Covid-19 pandemic. On the one hand, the Indonesian government in October 2020 has passed the Omnibus Law which is still controversial. This study aims to explain the industrial pattern in handling employment after the enactment of the Omnibus Law during the Covid-19 pandemic. By using eight informants as research subjects through purposive sampling techniques, this qualitative study collected data through in-depth interviews related to the topic. The results of the study show that before the enactment of the Omnibus Law during the pandemic, the conditions focused on the problem of "rights disputes" including the payroll system, deductions, and employee SP3 which were considered unfair. However, after the

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enactment of the Omnibus Law, the problem refers more to "interest disputes" between companies and workers to defend their respective interests. This finding has significance for policy makers and practitioners in industrial relations. Governments and companies must understand the transition from rights disputes to interests disputes to develop more inclusive policies and minimize conflicts. Companies must also be more transparent in managing human resources and paying attention to workers' rights to improve fairness and stability of the industry.

*Keywords: Industrial relations; omnibus law; tripartite; bipartite; covid-19.*

## 1. INTRODUCTION

Employment entered a period of crisis in the first quarter of 2020 with the entry of Corona Virus Disease 2019 (COVID-19) into Indonesia [1,2] . During the pandemic, many business activities were affected and then had an impact on the workforce, resulting in Termination of Employment (PHK) or being temporarily laid off without pay Utami and Nurwati [3] . The Covid-19 pandemic that occurred in Indonesia had an impact on all aspects of life and encouraged the government to issue various policies to overcome the spread of the virus [4] .

Various countries are practicing the Covid-19 Protocol in accordance with the direction of the World Health Organization (WHO) [5] . Even the Indonesian Government has made a government policy regarding the implementation of Large-Scale Social Restrictions (PSBB) which has triggered many offices, both government and private, to start implementing a work from home (WFH) scheme [6] .

As one of Indonesia's barometer provinces, East Java is also facing an employment crisis. According to the Jawa Pos daily, January 2, 2021, until December 2020, as many as 6,924 workers spread across 231 companies were laid off, and 34,108 workers were sent home. The news also explained that most of the workers who were laid off worked in the hotel and restaurant sector.

Those who were laid off mostly worked in the manufacturing sector, such as wood processing, and trade. Sidoarjo as one of the industrial areas in East Java can be an illustration of how this pandemic has caused a real employment crisis. Radar Sidoarjo, Tuesday, January 19, 2021

reported, the submission of applications for workers who were laid off or furloughed in Sidoarjo continued to increase. As of Wednesday (20/1), the Manpower Office (Disnaker) received 10,132 data on employees who were laid off. That number is predicted to continue to increase every day. In fact, the Disnaker office every day becomes a place for mediation and consultation between workers and companies.

Table 1. is data from large companies in Sidoarjo Regency that have significantly reduced their employees. According to MarDev HR Consulting Group as the Industrial Relations Consultant for Companies in Sidoarjo Regency, the conditions of employee reductions for Tanobelfood Group, PT Putra Mandiri Intipack, PT Hair Star Indonesia are inversely proportional to a number of companies that continue to exist or are not shaken during the pandemic until now, including PT Indoceria, PT Leef Essence Flora, and PT Integra.

In the midst of this urgency, in dealing with Covid-19 and economic recovery, the government passed the Omnibus Law. Omnibus law is a law that regulates its various parts as a whole and takes over previously existing regulations to be refined again into a legal framework [7] . However, the ratification of the Omnibus Law has drawn pros and cons. Rejection of the Omnibus Law which was passed during this pandemic is feared to be the basis for a number of companies to resolve employment problems due to COVID-19, especially in terms of providing severance pay for employees who are laid off, determining the UMK and UMSK, and efforts to resolve conflicts that are being mediated by the Government through the Manpower Office [8] .

**Table 1. Employee turnover ratio**

No.	Company name	Total
1	Tanobelfood Group	1000
2	PT.	440
3	PT. Hair Star Indonesia	329

Source: <https://jatim.inews.id> , 2020

The enactment of the Job Creation Law during the COVID-19 Pandemic did not immediately cause all companies to experience similar employment problems [9]. Companies that experienced problems were companies that carried out Termination of Employment (PHK) during this pandemic. Meanwhile, companies that maintained working relationships with their employees did not have the potential for industrial relations problems so that the company could get through this crisis.

Law 13/2003 concerning Manpower Article 1 Number 16 explicitly explains that Industrial Relations is a system of relations in the form of actors in the series of production of goods and/or services guided by Pancasila and the 1945 Constitution of the Republic of Indonesia [10]. Industrial relations are coordination and communication between company leaders with a Bipartite and Tripartite relationship pattern [11]. According to Law Number 2 of 2004, industrial relations disputes result in disputes that include disputes over rights, interests, and termination of employment. As mandated in the law, the settlement of cases is attempted through a bipartite pattern [12]. Industrial Relations in resolving cases must first conduct deliberation [13]. The settlement of industrial relations cases that occur will be given the right to choose the path of litigation or non-litigation [14]. Industrial relations are part of the relationship between organizations and their members. The official relationship between the management group and the worker group in an organization can also be called "industrial relations". This general term means that industrial relations are the same as employment relations. Meanwhile, in its daily implementation, employment relations cover all lines of the organization while industrial relations focus more on commercial organizations. (Siagian, 2016: 328)

Bipartite negotiations are negotiations between workers/laborers or labor unions/labor unions with employers to resolve industrial relations disputes. While tripartite negotiations are the settlement of industrial relations disputes through a third party [15].

Before the Omnibus Law came into effect during the pandemic, conditions focused more on the problem of "rights disputes". Meanwhile, after the Omnibus Law came into effect, the problems were more focused on "interest disputes". Based on the problems that the author found, the purpose of this study is to analyze and explain

the pattern of industrial relations in companies in Sidoarjo Regency in handling employment after the Omnibus Law came into effect during the Covid-19 pandemic. The basic concept used in this study is Industrial Relations According to Siagian, S. P, Bipartite and Tripartite Relationship Patterns According to Law of the Republic of Indonesia Number 2 of 2004 concerning the Settlement of Industrial Relations Disputes.

## **2. MATERIALS AND METHODS**

This research is located at PT Tanobelfood, PT Putra Mandiri Intipack, PT Leef Essence Flora, and PT Indoceria. This location was chosen based on the consideration that the four companies above have laid off many employees during the pandemic. This qualitative research uses a purposive sampling technique. The informants for this study numbered 12 people. The informants include the Head of HR - IR Consultant Delta Group, HRGA Manager of PT. Tanobelfood, HR Manager of PT. Putra Mandiri Intipack, HR Manager of PT. Indoceria, HR Manager of PT. Leef Essence Flora, four representatives of the Labor Union from four companies, four representatives of workers who were laid off, two representatives from the Manpower Office who conducted mediation.

The types of data used are primary data and secondary data, and using data collection techniques in the form of observation, in-depth interviews, and documentation. Researchers conduct interviews according to the interview schedule and guidelines. Interview guidelines are compiled based on questions that will be asked to key informants and supporting informants.

The data analysis model used by researchers is the interactive model of Miles, Huberman, and Saldana (2014: 12-14). According to Miles, Huberman, and Saldana:

1. Data condensation  
Data condensation is a series of filtering, focusing, streamlining, abstracting and transforming data in research as field notes.
2. Data Presentation  
Data presentation is an organization, unification, and summary of information. Data presentation is focused on making it easier for researchers to conduct in-depth data analysis.
3. Conclusion Image

In research, drawing conclusions is the process of summarizing data in line with the formulation of the problem studied by the researcher until the final stage and discussing the data obtained in depth.

workers are the ones who are disadvantaged because of the uncertainty of the work period. So, it is more profitable for companies so that they can employ workers for any length of time depending on the company's needs.

### 3. RESULTS AND DISCUSSION

#### 3.1 Implementation of Omnibus Law During the COVID-19 Pandemic

The government has actually initiated the Omnibus Law since December 17, 2019, and even has the aim of overcoming employment problems [16]. The Omnibus Law, which was finally passed on October 5, 2020, coinciding with the pandemic, certainly brings its own dynamics to companies. [17] The dynamics in question are how HR as a department is able to minimize the gap between employers and employees after the birth of the new regulation. According to Maria Devi R as (Human Resources) HR - Industrial Relations (IR) Consultant Delta, the important point of the Omnibus Law is the regulation of cooperation agreements between employers and workers.

From the Human Resources (HR) side, Maria said that if you look at the Omnibus law, what is intended for management is related to the Fixed-Term Employment Agreement (PKWT). The Fixed-Term Employment Agreement (PKWT) before the Omnibus law was focused on the 212 contract, with a contract period of two years continued for one year, a short break of one month, then can be contracted again for a maximum of two years. It turns out that in the implementation of the Omnibus law there is a difference, now it is allowed without a break and companies can contract their employees for any length of time.

So, the definition of a Fixed-Term Employment Agreement (PKWT) before the Job Creation Law was contracted for two years, continued for one year, terminated for one month, PKWT in the perspective of the Job Creation Law states that it is permissible to make a work contract for any length and without termination. This means that

The above shows the difference between the Employment Law No. 13 of 2003 and the Job Creation Law that is currently in effect. With the enactment of the Job Creation Law, the provisions of norms related to indefinite-term work agreements referring to Article 81 of the Job Creation Law are abolished. This means eliminating the opportunity for the public to obtain a Fixed-Term Work Agreement/Permanent Worker. Furthermore, the Job Creation Law has provisions of norms that are detrimental to constitutional rights.

Workers must be paid and treated properly in their employment relationship. The norms consisting of cutting rest time in a week, wage policies to save workers' rights were partially abolished, then sanctions for employers who did not pay wages were abolished. [18] The presence of this then sparked a commotion with allegations related to worker losses from the aspect of work compensation, especially overtime pay. In the following literature review results, the differences between the overtime regulations in Law 13/2003 and the current Omnibus law are as follows:

From the table above, Maria concluded that workers and unions generally focus on overtime rules. So it is felt that it can burden workers with additional workloads. However, on the contrary, the Job Creation Law actually brings benefits to workers. The following are the results of the interview.

*"As an industrial relations consultant, I see that the Job Creation Law also favors workers. For example, the hourly wage regulation was changed from 1/173 to 1/126. In the previous Manpower Law, with the UMP for example,  $4,250,000/173 = 24,566$ , now it is  $4,250,000/126 = 33,730$ . More, right?"* said Maria.

**Table 2. Implementation of the Employment Law**

Aspect	Employment Law	Job Creation Act
Maximum overtime in 1 working day	3 hours	4 hours
Hourly wage for overtime	1/173 x wages	1/126 x wages

Source: processed by the author

In the interview, there are new rules related to the hourly wage system that has increased. So it can be understood that the Omnibus Law must be studied carefully and cannot be interpreted piecemeal so as not to cause demonstrations in the future.

*"Since the government issued the law, in the 4 companies that I now lead, the intensity of top-level meetings has become more frequent. Previously, meetings were held once a week, but now they are 3-4 times a week. This is because the company does not want any policies that cause demonstrations by workers/trade unions, so it is necessary to build good organizational communication and industrial relations," (source: interview with Maria, Public Relations of PT IV (research object), April 7, 2021, Office).*

In closing her interview, Maria explained that there was a meeting agenda to prepare an effective formula so that the company would not suffer losses due to the new regulation. That way, workers could focus more on their work without much protest.

### **3.1.1 Pancasila Industrial relations and omnibus law**

Pancasila Industrial Relations is a system of relations between parties involved in the production of goods and services based on the principles of Pancasila and the 1945 Constitution [19]. Pancasila Industry has two principles, namely togetherness, mutual cooperation, and deliberation for consensus. [20]. Meanwhile, the Omnibus law is based on the principles of rights, ease of doing business, legal certainty, cooperation, and independence.

Pancasila has noble values that must be implemented effectively so that they have a positive impact on industrial relations. The Pancasila industry is considered neglected because it is unable to handle industrial relations cases optimally. The idea of Pancasila industrial relations is considered not to have been fully attached to the formation of the Job Creation Law. The formation of the Job Creation Law is not in line with the thinking in the formation of Legislation, the Court is of the opinion that the process of forming Law 11/2020 is not in line with the provisions of the 1945 Constitution, so the Court stated that the Omnibus Law was formally flawed [21].

Facts in Sidoarjo Regency, HR Manager of PT Putra Mandiri said Intipack.

*"Our IR is agile and proactive in lobbying the union, inviting them for coffee, and so on. So that when the time comes for the Manpower Office hearing, the IR is the one who can turn things around to explain things well in front of the Manpower Office. Although this trick doesn't always work, it often does." (source: interview with Maria, Public Relations of the Fourth PT (research object), April 7, 2021, Office)*

HR has a unique approach based on Pancasila, namely togetherness and mutual cooperation. However, the current omnibus law is not enough to implement the principles of Pancasila. The omnibus law is here and triggers industrial relations cases related to fixed-term work agreements (PKWT), wages, layoffs during the pandemic, and so on.

### **3.1.2 Legal Session and formulation of bipartite agreement**

The Bipartite Cooperation Institution is a communication forum between employers and workers. Companies and unions hope that disputes over rights, interests, and layoffs can be resolved internally without involving third parties.

At PT Indoceria, using traditional methods with bulletin boards and making meetings a formality of communication. Human Resources (HR) explained that 90 percent of problems were resolved in the first meeting and 98 percent were resolved in follow-up meetings. At PT Leef Essence Flora, prioritizing deliberation for consensus so that it does not enter the tripartite forum. Resolving cases related to layoffs and severance pay decisions to the bipartite stage only. During the pandemic, PT Leef Essence Flora did not carry out layoffs during the Covid-19 pandemic.

Meanwhile, at PT Tanobelfood, a personal approach is used, namely choosing a place outside the office to resolve employee cases. At PT Putra Mandiri Intipack, the bipartite drafting process is simple in accordance with company regulations, making bipartite meetings a means of consultation. The implementation of the Bipartite Relationship Pattern can be concluded as follows: 1) PT Indoceria Human Resources (HR) waits for direction from the superior leader, 2) PT Leef Essence Flora Human Resources

(HR) waits for direction from the Work Unit Leader (PUK), 3) PT Tabobelfood Human Resources (HR) takes a personal approach with employees because there is no labor union, 4) PT Putra Mandiri Intipack Human Resources (HR) authorizes the IR consultant to implement the bipartite agreement.

### 3.1.3 Meeting and formulation of the tripartite agreement

The Tripartite Cooperation Institution is a communication forum between three parties, namely IR/HR representing the company, the Workers Union and the Manpower Office.

At PT Indoceria, all matters relating to the Tripartite meeting are entrusted to Human Resources (HR) who also doubles as IR. The key to winning a Tripartite meeting is to try to connect employee demands with applicable regulations. Human Resources (HR) awaits direction from higher management.

Similar things also happened at PT Leef Essence Flora where the Tripartite meeting prioritized 3 things, namely problem analysis, effective communication, and prioritizing win-win solutions. Human Resources (HR) waited for direction from the Work Unit Leader (PUK). At PT Tanobelfood there was no labor union and the problem never reached the Tripartite level. If there was a problem or employees objected, they were given time to convey their objections to the company owner. Human Resources (HR) took a personal approach with employees because there was no labor union.

Meanwhile, at PT Putra Mandiri Intipack, it has been experienced several times that the problem must be brought to the Tripartite and all win. According to Human Resources (HR) of PT Putra Mandiri Intipack, Human Resources (HR) gives power to the IR consultant to implement the results of the bipartite agreement. The implementation of the Tripartite Relationship Pattern can be concluded as follows: 1) PT Indoceria Human Resources (HR) has held a leadership meeting, 2) PT Leef Essence Flora Human Resources (HR) HR has held a leadership meeting, 3) PT Tabobelfood Human Resources (HR) Tripartite mediation session has never been held, 4) PT Putra Mandiri Intipack Coordination between HR and IR.

## 3.2 Bipartite Conditions in Sidoarjo Before and After the Implementation of the Job Creation Law

Sidoarjo is one of the industrial cities in East Java Province which has diverse internal conditions [22]. This diversity can be seen from the perspective of the company's relationship with its employees and trade unions in forming solidarity. The solidarity between company management and trade unions determines the company's productivity. The company's productivity is also supported by the number of employees or workers.

Companies with at least 50 employees are required to have a Bipartite Cooperation Institution (LKS). The Bipartite LKS is a communication forum to resolve internal company problems. Through the Bipartite LKS, labor unions representing workers convey their rights or convey criticism to employers represented by the HR team in the industrial relations section called the IR team.

The IR team works to assist companies in resolving internal problems [23]. One indicator of successful IR performance is the resolution of employment problems internally and not because of disputes in the Manpower Office. Therefore, IR must have special skills to ensure that the company's interests are protected without harming workers' rights according to applicable regulations. The following are the results of the interview.

*"During my 12 years as a public relations consultant, hundreds of companies have become my clients. Companies usually use public relations consultants if their HRD is unable to calm the internal atmosphere. There are also companies that hire me for a certain period of time to design a communication system between management and the union." (source: interview with Maria, Public Relations of the Fourth PT (research object), April 7, 2021, Office)*

In the interview narrative above, the main topic of the Bipartite problem at this time or before the Job Creation Law focused on the payroll system, salary deductions, and labor unions which were considered unfair. This injustice led to employee protests in July-August 2020 due to the enactment of the law during the pandemic. And

resulted in a wave of massive layoffs and began to enter a "dispute of interest".

The case behind this conflict of interest is the unilateral layoff and the company's inability to pay workers during the pandemic. Although the workers received severance pay, they refused.

Maria's presentation shows that before the Job Creation Law came into effect during the pandemic, the Bipartite LKS focused more on the issue of "rights disputes". Meanwhile, after the Job Creation Law came into effect, the problem was more on "interest disputes". Interest disputes arose because companies considered that productivity had not decreased but employee salary burdens were increasing, so rationalization was needed through employee reduction/layoffs. However, regarding layoffs even though they had received severance pay, this situation was unacceptable to employees.

### **3.2.1 Participants' Views on the bipartite relationship pattern to the omnibus law during the COVID-19 pandemic**

HR managers admit that since the Job Creation Law was passed during the pandemic, there has been a lot of uncertainty. Uncertainty in communicating with labor unions has also become more frequent. Previously, informal and formal meetings through the LKS Bipartite forum were only held once a month or even not at all. However, now, LKS Bipartite meetings can be held two to three times after the Job Creation Law was passed.

This is because many workers were laid off. Then the workers complained about their fate to the union. The workers did not fully understand the Job Creation Law and were afraid of not getting proper compensation.

Calming the emotions of the labor union is important and all problems must be resolved properly and wisely. After all, workers are now considered as the company's capital (assets) that must be prospered without endangering the company's internal conditions.

### **3.3 Condition of Tripartite Companies in Sidoarjo Before and After the Formation of the Omnibus Law**

Tripartite is a relationship between three parties, namely employers represented by HRD/IR, workers represented by labor unions, and the

government represented by the Department of Manpower. These three parties in resolving problems are usually referred to as the Tripartite Cooperation Institution (LKS). When facing a problem, it will enter the Tripartite LKS, which indicates the failure of the Bipartite LKS.

In the Tripartite LKS between the company and the workers will be mediated by the local Provincial/City Manpower Office. During mediation, the Manpower Office provides an opportunity for the labor union and the company's IR to express their opinions on the disputed aspects. In general, we can see through various media exposures that the Manpower Office often handles problems with labor unions that do not accept unilateral layoffs by the company. With the pandemic, this is something that cannot be avoided. The following is an interview regarding the Tripartite LKS:

*"The general problem of the Tripartite LKS condition before and after the ratification of the Job Creation Law is the same, namely that the labor unions object to the company's decision to lay off employees." (source: interview with Maria, Public Relations of the Fourth PT (research object), April 7, 2021, Office)*

This means that this situation has a significant difference with the situation of the Bipartite LKS before and after the Omnibus Law came into effect, the Tripartite LKS has a dominant case of the same problems, namely more on the issue of rejection due to unilateral layoffs.

### **3.3.1 Problems that can be solved with the tripartite relationship pattern**

Problems that can be resolved with a tripartite relationship pattern, related to unilateral layoffs of employees only. Protracted problems will be brought to the Tripartite LKS and the IR's task is to maintain intensive communication to calm the situation. Sidoarjo City itself has a district-level Manpower Office to conduct mediation focused on ordinary cases. If the case requires more detailed recommendations, it will be directed to the provincial Manpower Office.

The mechanism for layoffs and termination of employment of employees during the pandemic is carried out because there are usually violations. Violations that occur include discipline, with indicators of low attendance and violations of other provisions. The most common incidents are being prohibited from bringing cellphones

and not wearing uniforms on the job. Now, not wearing a mask immediately gets a warning. Negotiations and protests from the union include active communication with the union, compromise with clear stages, no protests because a personal approach is used to employees outside the office, no protests because employees understand the company's conditions.

### 3.4 Categorization of Stable and Unstable Companies During the Pandemic

In accordance with the topic of this research, namely industrial relations patterns. It is necessary to categorize stable and unstable companies during the pandemic. With this categorization, mapping industrial relations patterns becomes relevant. For this reason, the researcher asked these main participants about stable and unstable companies. Furthermore, the interview results are narrated as follows:

*"If asked about companies that are stable and unstable during this pandemic, it can be seen from three main indicators, namely: productivity level, separation or layoff system, and handling of cases that must be resolved."*

Based on Maria's perspective, as an IR consultant for many companies, it can be concluded that stable and unstable companies during the pandemic can be classified as follows: Based on the explanation, in this study the researcher has studied a number of participants from different company conditions, namely four companies as research objects. Two (companies) will be taken from each stable and unstable company. From there, the researcher will be able to create a more comprehensive Industrial Relations Pattern.

The following is a list of companies in the stable and unstable categories that are Maria Devi's clients after assessing the internal conditions of each company.

## 4. DISCUSSION

### 4.1 Industrial Relations Patterns of Companies in Sidoarjo After the Job Creation Law Enacted

Industrial relations as explained in Article 1 of Law No. 13 of 2003 concerning Manpower is a system of relations formed between actors in the production process of goods and/or services consisting of elements of employers ,

**Table 3. Stable and Unstable Company Parameters**

Aspect	Stable Company	Unstable Company
Productivity	Productivity does not decrease significantly	Productivity dropped significantly so the company issued an affirmative policy
Layoff Rate	< 10 per month	>10 in a month
Solution to problem	Has been completed at the Bipartite LKS level	Many issues were discussed at the Tripartite LKS

*Source: Key Participants*

**Table 4. Overview of company conditions during the pandemic**

No.	Company name	Information
1	PT. Indoceria	Stable productivity, layoffs of only 4-5 employees per month, no problems at the Tripartite LKS level
2	PT. Leef Essence Flora	Stable productivity, no layoffs, no problems at the Tripartite LKS level
3	PT. Tanobelfood /Cleo	Productivity tends to decline, layoffs of >50 non-organic employees, problems resolved at the LKS Bipartite level
4	PT.	Productivity tends to decline, layoffs >50 employees, there are problems at the Tripartite LSK level

*Source: Key Participants*



workers/laborers, and the government based on the values of Pancasila and the 1945 Constitution [24]. The Job Creation Law has made it easier for the business world to carry out its activities, including in the field of industrial relations [25]. However, rejection of the Job Creation Law is still the main demand on the grounds that this law is considered detrimental to workers' rights [26].

Omnibus Law, or Job Creation Law, is a method used to replace and/or revoke provisions in a law or rearrange several provisions in a law into one law (thematic). According to the Draft Job Creation Law (RUU Cipta Lapangan Kerja), Job Creation is an effort to create jobs through facilitation, protection, and empowerment of micro, small, and medium enterprises (MSMEs), improving the investment ecosystem and ease of doing business, as well as Central Government investment and acceleration of national strategic projects [27].

The pattern of industrial relations in companies in Sidoarjo after the enactment of the Job Creation Law has changed in the process of terminating employment. Based on the explanation of the research results, it can be seen that in the industrial relations process, the job position that is central to the organizational communication process in the company is the Human Resources Manager (HR Manager) with the following industrial relations pattern. The discussion of the four perspectives will be narrowed down to the pattern of industrial relations of companies in Sidoarjo Regency after the enactment of the Omnibus Law during the Covid-19 pandemic.

Upward communication, organizational communication that takes place from the bottom up in companies in Sidoarjo Regency through a communication process involving Human Resources (HR) Managers with company leaders to company owners. This is in accordance with the role and function of Human Resources (HR), as a representation of the company to plan, manage, and control employees.

After the enactment of the Job Creation Law, the upward communication process has occurred very often between HR Managers. Human Resources (HR) Managers confirmed that since the enactment of the Job Creation Law during the pandemic, there has been a lot of regulatory uncertainty. Human Resources (HR) does not determine something incorrectly so that every case must first be communicated to the

company's leadership. The form of communication that occurs is not only face-to-face but also through zoom meeting-based communication media.

This communication is also carried out if there are problems such as 1) reporting on the company's productivity conditions during the pandemic, 2) discussing employee operating hours, 3) discussing the company's strategic policies including decisions to terminate employment and announcements of employee layoffs, and 4) formulating Compensation & Benefits (CNB).

Downward communication that occurs in companies in Sidoarjo Regency is a communication process involving Human Resources (HR) Managers and employees. Among them are meetings discussing the delivery of the Omnibus Law, as well as employee performance directions, summons for laid-off employees.

This is in accordance with the role and function of Human Resources (HR) as a company representative to plan, manage, and control employees. Human Resources (HR) Managers confirmed that since the Omnibus Law was passed during the uncertain pandemic, the intensity of meetings and communication with employees has become more frequent. Previously, they would communicate company policies by putting up notice boards or through unions, but now Human Resources (HR) more often conducts direct inspections in the field to see the situation of workers.

Horizontal communication, organizational communication with horizontal communication patterns in companies in Sidoarjo Regency is a communication process involving Human Resources (HR) Managers with labor unions and managers from other departments. After the enactment of the Job Creation Law, the most frequent horizontal communication process is when the productivity of each department, overcoming various protests and negotiations by labor unions.

Human Resources (HR) managers confirmed that since the Job Creation Law was enacted during the pandemic, previously informal and formal meetings through the LKS Bipartite forum could be held once a month or even not at all. Meanwhile, now HR only holds two to three LKS Bipartite meetings after the Job Creation Law was enacted during the pandemic.

Diagonal Communication, organizational communication with a diagonal communication pattern in companies in Sidoarjo Regency is a communication process involving Human Resources (HR) Managers with labor unions and the Manpower Office in a mediation forum. The most frequent diagonal communication process occurs between Human Resources (HR) Managers with labor unions and representatives of the Manpower Office. Among others, 1) HR/IR meets with labor unions and is mediated by the Industrial Relations Dispute (PHI) section of the Manpower Office, and 2) When the Labor Union defends the interests of workers in the Tripartite LKS, 3) PHI Disnaker informally communicates Disnaker recommendations to HR and worker representatives.

This study shows that the Omnibus Law has a significant impact on industrial relations in Indonesia during the Covid-19 pandemic, with changes to PKWT regulations, cuts to workers' rights, and increased conflicts in industrial relations. Arief and Ramadani [28] said the same thing that the implementation of the omnibus law also does not have a clear legal basis in laws and regulations and violates the principles of openness and participation. Research by Mustofa and Najicha [29] revealed that the omnibus law has implications for emasculating the guarantee of workers' rights, placing them as parties exploited by employers by only considering investment standards. Research by Rachim, Sagala, and Mulyono [30] also explains that increasing the role and participation of the community is very important to be involved in the formulation, so that the rights and obligations of the community, especially those who will be affected by the Omnibus Law, can be fulfilled. In contrast to the results of previous studies, research by Neyshanda and Wibawa [31] revealed that the use of the Omnibus Law method is a very effective method of forming regulations and is widely used by other countries, with the aim of encouraging investors to invest in Indonesia as an effort in economic growth. Thus, the government and companies must understand the transition from rights disputes to interests disputes in order to develop more inclusive policies and reduce conflicts related to the omnibus law.

#### **4.2 Controversial Articles in the Job Creation Law**

The Company's Human Resources (HR) conducts effective organizational communication both in the process of upward, downward,

horizontal, and diagonal communication with the aim of avoiding problems in handling employment. The existence of a number of articles in the Job Creation Law in the scope of industrial relations has sparked controversy. According to Human Resources (HR), the controversy over the article is due to a number of articles that are in conflict with labor unions. The controversial articles of the Omnibus Law consist of 1) New articles in the new law, namely the Job Creation Law, and 2) Elimination of Articles in the Manpower Law. In general, the following is an explanation of the controversial articles of the Omnibus Law from the aspect of industrial relations, including:

1. Article 88B: This article gives employers the freedom to determine the output unit in ordering workers as the basis for calculating the wage system. In addition, there is no clear guarantee in the worker wage system. Therefore, it is necessary to set a minimum wage so that certain sectors do not provide wages below the minimum wage.
2. Article 91 of the Manpower Law, The elimination of Article 91 of the Manpower Law will result in employers not complying with the minimum wage according to applicable provisions. In addition, employers will pay workers lower wages and arbitrarily.
3. Article 56 paragraph (3) of the Job Creation Law makes Fixed-Term Employment Agreements (PKWT) unlimited by new regulations. The Job Creation Law eliminates the time limit for Fixed-Term Employment Agreements and regulates the agreement of the parties involved. This means that the role of the government is weakened because it is unable to intervene in the duration of Fixed-Term Employment Agreements (PKWT). This has an impact on the expansion of contract workers. This regulation has drawn a lot of criticism from workers because the government is considered not to be on the side of workers. Unable to protect workers' rights.
4. Article 77 This raises concerns about differences in working hours and compensation in each sector. This is considered detrimental to workers because it is so.

The controversy over articles in the Job Creation Law, especially those related to workers' rights

and employers' flexibility in determining working conditions, has caused uncertainty and concern among workers. Articles such as Article 88B, the elimination of Article 91 of the Manpower Law, and Article 56 Paragraph (3) of the Job Creation Law, have caused uncertainty and concern among workers. Therefore, there needs to be clearer regulations that protect workers' rights to avoid problems in handling employment.

## 5. CONCLUSION

Based on the research results, there are two types of industrial relations patterns, namely the Bipartite Pattern and the Tripartite Pattern. In bipartite relations, the communication process between employers and workers/laborers. Before the Job Creation Law, disputes focused on the payroll system, deductions, and employee SP3 which were considered unfair. After the Job Creation Law was passed, disputes of interest emerged, focusing on cases of employee reduction/termination. In tripartite relations, the communication process between the three parties includes IR/HR representing the company, the Workers/Laborers Union and the Manpower Office. There is a significant difference with the situation of the Bipartite LKS before and after the Job Creation Law came into effect. The Tripartite Relations Pattern before and after the Job Creation Law came into effect only focused on the problem of rejection due to unilateral layoffs. In general, it can be stated that after the enactment of the Omnibus Law during the COVID-19 pandemic, it has encouraged Human Resource (HR) Managers to build effective communication with high intensity so that all employment problems can be resolved internally at the bipartite level and minimize the occurrence of Tripartite meetings because both companies, unions, and workers themselves still consider the Omnibus Law as something new so they hope not to get unexpected consequences. Based on the conclusions of the research above, the suggestions that researchers can give to companies, unions, and workers include the need for companies to create a more intensive communication forum because with the existence of a communication forum, each element of the company understands the internal conditions of the company so that when issuing policies, the policies do not harm workers. The Labor Union must have a comprehensive understanding of the Omnibus Law and be more inclined towards workers regarding union problems so that they know the real position of the problem. Workers must also fully understand the Omnibus Law and

have good performance so that if there is a reduction in the number of employees, they will not be affected.

## DISCLAIMER (ARTIFICIAL INTELLIGENCE)

Author(s) hereby declare that NO generative AI technologies such as Large Language Models (ChatGPT, COPILOT, etc) and text-to-image generators have been used during writing or editing of this manuscript.

## COMPETING INTERESTS

Author has declared that no competing interests exist.

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